

## Message Text

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ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC NIACT IMMEDIATE 508

C O N F I D E N T I A L GUATEMALA 1603

NODIS

FOR S/S

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.), GT

SUBJECT: SECRETARY'S CONVERSATION WITH PRESIDENT ON  
GUATEMALAN SHIPPING DISCRIMINATION

1. FOLLOWING IS UNCLEARED MEMORANDUM OF CONVERSATION, FEB. 24,  
BETWEEN PRESIDENT LAUGERUD AND SECRETARY KISSINGER ON SUBJECT  
OF DELTA/FLOMERCA:

2. AT THE CONCLUSION OF PRIVATE CONVERSATION BETWEEN PRESIDENT  
LAUGERUD AND SECRETARY THEY WERE JOINED BY ASSISTANT  
SECRETARY ROGERS AND AMBASSADOR MELOY. SECRETARY TOLD  
ASSISTANT SECRETARY AND AMBASSADOR THAT THE PRESIDENT  
HAD RAISED WITH HIM THE QUESTION OF DELTA/FLOMERCA. THE  
AMBASSADOR BRIEFLY REVIEWED THE BACKGROUND OF THE PROBLEM  
AND SAID THAT IN THE LIGHT OF EARTHQUAKE DISASTER IN  
GUATEMALA AND RESULTANT DISRUPTION OF NORMAL GOVERNMENT  
ACTIVITIES, THE FEDERAL MARITIME COMMISSION AND THE SPECIAL  
TRADE REPRESENTATIVE, BOTH OF WHOM HAD FOUND EXISTING  
GUATEMALAN LEGISLATION DISCRIMINATORY AGAINST U.S.  
SHIPPING INTERESTS, HAD BOTH POSTPONED PLANS TO INVOKE COUNTER-  
VAILING MEASURES FOR AN INDEFINITE PERIOD WITH THE PROVISIO THAT  
THE SITUATION WOULD BE KEPT UNDER SURVEILLANCE AND REVIEW.  
AMBASSADOR NOTED THAT GOG HAD BEEN INFORMED IN WRITING OF  
THESE USG DECISIONS. AMBASSADOR WENT ON TO EXPLAIN, HOWEVER,  
THAT DECISION TO DEFER ACTION BY BOTH FMC AND STR WAS A TEMPORARY  
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ONE DUE TO THE EARTHQUAKE TRAGEDY AND THAT SOONER RATHER THAN

LATER GOG WOULD HAVE TO TAKE CORRECTIVE ACTION WITH RESPECT TO THE DISCRIMINATORY SHIPPING REGIME OF GUATEMALA IF IT WERE TO AVOID USG EQUALIZATION MEASURES.

3. PRESIDENT LAUGERUD RESPONDED THAT THE GOG WOULD HAVE TO ASK THE GUATEMALAN CONGRESS TO CHANGE THE LAW AND IT WOULD BE IMPOSSIBLE TO DO THIS IF IT APPEARED THE GOG WERE ACTING UNDER U.S. PRESSURE. THE RESULT WOULD BE A STRONG ANTI-AMERICAN REACTION AND THE CONGRESS WOULD REFUSE TO COOPERATE. THE PRESIDENT SAID HE WAS UNDER THE IMPRESSION THAT IF FLOMERCA AND DELTA COULD REACH AN AGREEMENT, WHICH HE THOUGHT WAS IMMINENT IF NOT ALREADY ACHIEVED, THIS WOULD SETTLE THE MATTER. THE AMBASSADOR REPLIED THAT THIS WAS NOT SO. AN AGREEMENT BETWEEN FLOMERCA AND DELTA WOULD NOT CHANGE THE FACT THAT THE FMC AND THE STR HAD FOUND GUATEMALAN LEGISLATION DISCRIMINATORY IN GENERAL AGAINST U.S. SHIPPING LINES AND NOT ONLY AGAINST DELTA. THEREFORE, THE PROBLEM REMAINED.

4. THE AMBASSADOR REITERATED THAT THERE WAS NO IMMEDIATE NEED FOR THE GOG TO TAKE ACTION IN VIEW OF THE CURRENT CRISIS SITUATION, BUT THAT NONETHELESS IT WAS A PROBLEM THAT WOULD HAVE TO BE FACED BY THE GOG IN THE RELATIVELY NEAR FUTURE, AND THAT THE DECISION AS TO HOW THE GOG WISHED TO PROCEED, WHETHER THROUGH PROPOSED LEGISLATION TO THE CONGRESS OR SOME OTHER MEANS, WAS ENTIRELY UP TO THE GOG.

5. THE PRESIDENT AGAIN EMPHASIZED THAT IT WOULD BE IMPOSSIBLE FOR THE GOG TO TAKE ACTION IF IT APPEARED IT WERE RESPONDING TO USG PRESSURE. THE AMBASSADOR REPLIED THERE WAS NO INTENTION TO EMBARRASS THE GOG AND EVERY EFFORT WAS BEING MADE TO PREVENT THE DECISIONS OF THE FMC AND STR FROM BECOMING PUBLIC. HOWEVER, RESPONSIBILITY FOR ACTION REMAINED WITH THE GOG.

MELOY

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## Message Attributes

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